

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB622

Hearing Date: Monday February 04, 2019
Committee On: Banking, Commerce and Insurance
Introducer: Williams
One Liner: Change provisions and provide for pooled collateral under the Public Funds Deposit Security Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Gragert, Howard, Kolterman, La Grone, Lindstrom,
McCollister, Quick, Williams

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Matt Williams
Cathy Diez
Alex Lowell
Bob Hallstrom
Lynn Rex

Representing:

Introducer
First National Bank
NE Independent Community Bankers
NE Bankers Association
League of Municipalities

Opponents:

Representing:

Neutral:

Mark Quandahl
Candace Meredith

Representing:

NE Department of Banking and Finance
NACO

Summary of purpose and/or changes:

LB 622 would authorize the use of a single-bank pooled collateral method for the protection of public funds in excess of the FDIC insured amounts. Under current law, banks holding public funds in excess of the amount insured by the FDIC are required to furnish collateral for each political subdivision and state agency placing deposits in the bank. Under LB 622, the bank would be allowed to furnish collateral based upon the aggregate amount of public deposits of all political subdivisions and state agencies with deposits in the bank.

Under the bill, the Director of the Department of Banking and Finance (Director) would be responsible for oversight of the single-bank collateral pools, including receiving reports from participating banks, remitting reports to custodial officials, adopting and promulgating rules and regulations, establishing policies and procedures, and prescribing forms as maybe necessary to accomplish the purposes of the Public Funds Deposit Security Act. The Director would be authorized, as he or she deems appropriate, to delegate ministerial duties relating to the administration of the single-bank pooled collateral method to a third party.

Matt Williams, Chairperson